CANADIAN JAMIESON MINES LIMITED

Special Report to Shareholders

FEBRUARY 15, 1966

CANADIAN JAMIESON MINES LIMITED

To the Shareholders:

At the shareholders' meeting held in Timmins last Friday at which approximately 80% of the outstanding shares of your company were represented, the resolutions referred to in the material forwarded to you recently were duly approved. At the request of the Toronto Stock Exchange and in conjunction with the submission of a filing statement to that body, we are now forwarding to you further informational material relating to the overall financial arrangements made to bring your mine to production, and to provide working capital for its operations.

Included herein are the following:

1. General summary of the feasibility report of Kilborn Engineering Ltd., Consulting Engineers, dated November 15, 1965.
2. A pro forma balance sheet which reflects the production financing of your company as well as the estimated capital costs to bring your company to the point of production.
3. Cash flow estimates prepared by Kilborn Engineering Ltd. and included in their feasibility report, predicated upon various metal prices.

With regard to the Kilborn cash flow estimates, it should be pointed out that these do not reflect:

1. The higher average grade of ore as indicated by underground work.
2. The recovery of working capital at the close of operations.
3. A limitation on underground exploration to 50¢ a ton (as against $1.00 in the Kilborn estimates).
4. Variations in the actual production and working capital financing arrangements from those contemplated (aggregate total principal reduced and interest rates varied — compare pro forma balance sheet with paragraph 6 of the Kilborn assumptions).

These considerations would effect a higher cumulative cash flow than is shown in each of the Kilborn estimates. However, since the most important factor determining the actual profitability of your operation will be the price of copper on the London Metal Exchange at the time of shipment of concentrates, it has not been considered necessary to revise these estimates.

I would point out that the L.M.E. spot price for copper on February 14th was £678 per long ton, equivalent to 91¢ Canadian per pound, which is substantially higher than the price used in the most profitable estimate prepared by Kilborn Engineering.

While this price is near the all-time high, indications are that prices will remain relatively high during the balance of the year. Your company was extremely fortunate in obtaining a contract using 100% L.M.E. prices as the basis for settlement, which was in large part due to the efforts of our sales agent, Incontra Ltd., of Zurich, Switzerland.

Developments at the property are proceeding as planned and, with continuation of supplier deliveries on schedule, we expect to begin production in late March.

A. T. Griffis

A. T. Griffis
President

CANADIAN JAMIESON MINES LIMITED

FEASIBILITY REPORT

BY KILBORN ENGINEERING LTD., DATED NOVEMBER 15, 1965

GENERAL SUMMARY

This feasibility report covers visits to the property and our assessment of ore reserves, capital costs, operating costs, smelter returns and economic feasibility of the proposed mining project located in Godfrey and Jamieson Townships in the District of Cochrane, Ontario.

The proposed mining plant is capable of supplying a mill rate of 400 tons per day or 144,000 tons per year. Surface diamond drilling, followed by underground exploration and diamond drilling, has indicated ore reserves for approximately four years at the above rate. The mill heads should average 2.48% Cu, 4.22% Zn, 0.009 oz/ton Au, and 0.85 oz/ton Ag.

Allowing 10% dilution at the time of preparation of this report, it is estimated that development and exploration work so far has established approximately 260,000 tons of reasonably assured ore averaging about 2.96% Copper and 5.67% Zinc. Car sampling of 2,910 tons of ore obtained from this work has averaged 2.80% Copper and 5.60% Zinc.

The proposed milling plant, similar to others in the area treating this type of ore, will consist of used buildings and equipment where possible. The capital cost estimate is based on firm prices for the above. The flowsheet will consist of bulk sulphide flotation followed by regrinding of the concentrate and selective copper flotation. Selective zinc flotation will be on the bulk float tails. Copper recovery should be 85% with a 22% Cu concentrate and Zinc 80% recovery with a 53% Zn concentrate. Gold and silver recoveries will be 38% and 51% respectively.

The surface plant has been kept to the bare essentials as the close proximity to the town of Timmins will provide housing and shop facilities.

We estimate that it will take $395,000 to develop the mine, $870,000 to construct a milling plant and necessary surface ancillary buildings, $60,000 for mine equipment, $500,000 for working capital, $250,000 for property payment, and $40,000 for financing charges and legal fees. This gives a total requirement to start of production of $2,115,000.

Cash flow estimates are included using different prices for copper and zinc. These vary from a cumulative cash flow of $6,016,000 using the following prices for metal:

Copper	@	$ 0.66/lb.
Zinc	@	$ 0.148/lb.
Gold	@	$37.50/oz.
Silver	@	$ 1.40/oz.

to $210,000 using the following metal prices:

Copper	@	$ 0.405/lb.
Zinc	@	$ 0.125/lb.
Gold	@	$37.50/oz.
Silver	@	$ 1.40/oz.

to a negative value, depending on the price of the metals.

CANADIAN JAMIES

PRO FORMA BALANCE SHEET

The following pro forma balance sheet gives effect as at February 4th, 1966 to:

(a) The issue of $646,000 Series A Debentures at a discount of 15% and the is

(b) The issue of $600,000 (U.S. funds) Series B Debentures to Bolidens Gruv shares of the capital stock of the company at $1.00 per share.

(c) The repayment out of the proceeds of the foregoing Debentures issues of in capital stock of the company without further payment therefore in conjunc

(d) The estimated capital costs to complete preproduction and development req and other equipment and to obtain financing, as set out in the report of Kil

ASSETS

Cash		$ 40,659
Province of Ontario $10,000 Bonds 5%, 1979 (with Ontario Hydro as security) at cost		9,850
Mine Buildings and Equipment		
Surface Mining Plant	$174,300	
Mine Equipment	60,000	
Crushing and Concentrating Plant, etc.	870,000	1,104,300
Mining Properties		
32 patented mining claims located in Robb, Jamieson and Godfrey Townships, district of Cochrane, Ontario and 14 unpatented mining claims located in MacDiarmid Township, district of Cochrane, Ontario, purchased for 900,000 shares of the company's capital stock valued by the directors at 20¢ per share and $504,000 cash of which $254,000 has been paid		684,000
Deferred Expenditures		
Preproduction Exploration	$281,700	
Preproduction Development	549,600	
Exploration on MacDiarmid Properties	21,240	
Administration including Financing	131,816	
Discount on Debentures	186,900	1,171,256
Deposits with Ontario Hydro		450
Organization Expense		2,335
		$3,012,850

The accompanying notes form a part of this pro forma balance sheet.

NOTES TO PRO FORMA BALANCE

Note 1 The company has obtained a guarantee of working capital loans up to $500,000 at an effective interest rate of 9% per annum. No such loans are reflected in the foregoing pro forma balance sheet.

Note 2 The company has entered into contracts with Bolidens Gruvaktiebolag for the sale of copper and zinc concentrates produced from its mining property located in Robb, Jamieson and Godfrey Townships at variable prices based on the London Metal Exchange and G.O.B. Producers' prices respectively.

N MINES LIMITED

AS AT FEBRUARY 4th, 1966

of 96,900 shares of the capital stock of the company at $1.00 per share.
ebolag at a discount of $90,000 (Canadian funds) and the issue of 90,000

n financing for the company of $240,000 and the issue of 30,000 shares of the
therewith and the like repayment of a temporary advance of $16,000.
ments and acquisition and equipping of the crushing and concentrating plant
n Engineering Ltd. dated November 15th, 1965.

LIABILITIES

Accrued Interest		$ 1,944
Land Mortgage due December 15th, 1966 without interest		250,000
7% Series A Debentures repayable December 31st, 1969 Authorized $750,000, issued		646,000
9% Series B Debentures repayable by December 31st, 1968 Authorized and issued $600,000 (U.S. Funds)		648,000
Share Capital		
Authorized		
5,000,000 shares of $1.00 par value each		
Issued and fully paid		
For properties 900,000 shares	$ 900,000	
Less discount	720,000	
	$ 180,000	
For services 30,000 shares	$ 30,000	
For cash 1,586,906 shares	$1,586,906	
Less discount (net)	330,000	
	$1,256,906	
Total 2,516,906 shares		1,466,906
		$3,012,850

Approved on behalf of the Board
A. T. GRIFFIS, Director
R. H. POPE, Director

EET AS AT FEBRUARY 4TH, 1966

Note 3 Each of the company's six directors has undertaken to advance to the company $16,667 should additional production financing become necessary.

Note 4 Options are outstanding to purchase shares in the capital stock of the company as follows:
to an employee, 15,000 shares at 75¢ per share to May 10th, 1967
to the guarantor of the working capital loans, 75,000 shares at $1.10 per share exercisable within a specified period of not less than one year.

Note 5 U.S. funds have been converted at the rate of 8%.

CANADIAN JAMIESON MINES LIMITED

CASH FLOW ESTIMATES

by Kilborn Engineering Ltd.

ASSUMPTIONS

The following estimates and assumptions have been used in making cash flow estimates:

1. Sufficient ore will be developed to provide four years production at the rate of 400 tons per day, 144,000 tons per years, i.e. 576,000 tons of ore.
2. Millheads will average 2.48% Copper, 4.22% Zinc, 0.009 ozs. Gold per ton, and 0.85 ozs. Silver per ton. Recoveries will be 85% of the Copper, 80% of Zinc, 38% of the Gold, and 51% of the Silver. Copper concentrate will average 22% Copper and contain the recoverable Gold and Silver. Zinc concentrates will average 53% Zinc.
3. Operating costs are estimated to be $9.05 per ton of ore.
4. Annual capital expenditures, starting in the second year of production, will be $25,000.
5. Prices received for metals produced will be:

	Estimate A	Estimate B	Estimate C
Copper per lb.	$ 0.66	$ 0.405	$0.33
Zinc per lb.	0.148	0.125	0.11
Gold per oz.	37.50	37.50	37.50
Silver per oz.	1.40	1.40	1.40

6. $2,115,000 will be owing at the start of production. This money will be provided in the following manner:
   (a) A Bank Loan of $500,000, interest at 6%. Interest to start at start of production.
   (b) $900,000 First Mortgage Income Debentures. Interest 6½% to start on December 1, 1965.
   (c) $640,000 Second Mortgage Bonds. Interest at 9% to start on December 1, 1965.
   (d) A Directors' Loan of $75,000 if required.

CASH FLOW ESTIMATE 'A'

Price of Metals:

Copper	@ $ 0.66/lb.
Zinc	@ $0.148/lb.
Gold	@ $37.50/oz.
Silver	@ $ 1.40/oz.

Year	1	2	3	4	Totals
Tons of Ore Treated	144,000	144,000	144,000	144,000	576,000
Net Smelter Returns	$3,698,000	$3,698,000	$3,698,000	$3,698,000	$14,792,000
Operating Cost	1,303,000	1,303,000	1,303,000	1,303,000	5,212,000
Operating Profit	2,395,000	2,395,000	2,395,000	2,395,000	9,580,000
Provincial Mining Tax	194,000	196,000	198,000	200,000	788,000
A. Sub-Total	2,201,000	2,199,000	2,197,000	2,195,000	8,792,000
Interest on Bank Loan	30,000	—	—	—	30,000
Interest on 6½% Debentures	83,000	—	—	—	83,000
Interest on 9% S.M. Bonds	82,000	45,000	—	—	127,000
B. Total Interest	195,000	45,000	—	—	240,000
C. Sub-Total (A-B)	2,006,000	2,154,000	2,197,000	2,195,000	8,552,000
Depreciation for Federal tax				1,197,000	
Sub-Total	Tax Free	Tax Free	Tax Free	998,000	
Depletion for Federal tax				333,000	
Taxable Income				665,000	
1. Federal Tax				346,000	346,000
2. Annual Capital Expenditures		25,000	25,000	25,000	75,000
3. Repayment of Bank Loan	500,000	—	—	—	500,000
4. Repayment of 6½% Debentures	900,000	—	—	—	900,000
5. Repayment of 9% S.M. Bonds	140,000	500,000	—	—	640,000
6 Repayment of Directors Loan		75,000	—	—	75,000
D. Sum of 1, 2, 3, 4, 5 & 6	1,540,000	600,000	25,000	371,000	2,536,000
Cash Flow (C-D)	466,000	1,554,000	2,172,000	1,824,000	6,016,000
Cumulative Cash Flow	466,000	2,020,000	4,192,000	6,016,000	6,016,000

NOTE: This estimate is based on shipping concentrates to Europe at Metal Prices as noted above.

CANADIAN JAMIESON MINES LIMITED

CASH FLOW ESTIMATE 'B'

Price of Metals:

Copper	@	$0.405/lb.
Zinc	@	$0.125/lb.
Gold	@	$37.50/oz.
Silver	@	$ 1.40/oz.

Year	1	2	3	4	Totals
Tons of Ore Treated	144,000	144,000	144,000	144,000	576,000
Net Smelter Returns	$2,059,000	$2,059,000	$2,059,000	$2,059,000	$8,236,000
Operating Cost	1,303,000	1,303,000	1,303,000	1,303,000	5,212,000
Operating Profit	756,000	756,000	756,000	756,000	3,024,000
Provincial Mining Tax	34,000	36,000	37,000	38,000	145,000
A. Sub-Total	722,000	720,000	719,000	718,000	2,879,000
Interest on Bank Loan	30,000	12,000	—	—	42,000
Interest on 6½% Debentures	83,000	59,000	39,000	—	181,000
Interest on 9% S.M. Bonds	82,000	58,000	58,000	58,000	256,000
B. Total Interest	195,000	129,000	97,000	58,000	479,000
C. Sub-Total (A-B)	527,000	591,000	622,000	660,000	2,400,000
Depreciation for Federal Tax				660,000	
Sub-Total	Tax Free	Tax Free	Tax Free		
Depletion for Federal Tax					
Taxable Income					
1. Federal Tax					
2. Annual Capital Expenditures		25,000	25,000	25,000	75,000
3. Repayment of Bank Loan	300,000	200,000			500,000
4. Repayment of 6½% Debentures		300,000	600,000		900,000
5. Repayment of 9% S.M. Bonds				640,000	640,000
6. Repayment of Directors Loan				75,000	75,000
D. Sum of 1, 2, 3, 4, 5 & 6	300,000	525,000	625,000	740,000	2,190,000
Cash Flow (C-D)	227,000	66,000	—3,000	—80,000	210,000
Cumulative Cash Flow	227,000	293,000	290,000	210,000	210,000

NOTE: This estimate is based on shipping concentrates to Europe at Metal Prices as noted above. If concentrates were shipped to a Canadian Copper Smelter and an American Zinc refinery the cumulative cash flow would be approximately $1,300,000 higher than in this estimate.

CASH FLOW ESTIMATE 'C'

Price of Metals:

Copper	@	$00.33/lb.
Zinc	@	$00.11/lb.
Gold	@	$37.50/oz.
Silver	@	$ 1.40/oz.

Year	1	2	3	4	Totals
Tons of Ore Treated	144,000	144,000	144,000	144,000	576,000
Net Smelter Returns	$1,511,000	$1,511,000	$1,511,000	$1,511,000	
Operating Cost	1,303,000	1,303,000	1,303,000	1,303,000	5,212,000
Operating Profit	208,000	208,000	208,000	208,000	832,000
Provincial Mining Tax					
A. Sub-Total					
Interest on Bank Loan					
Interest on 6½% Debentures					
Interest on 9% S.M. Bonds					
B. Total Interest					
C. Sub-Total (A-B)					
Depreciation for Federal Tax					
Sub-Total					
Depletion for Federal Tax					
Taxable Income					
1. Federal Tax					
2. Annual Capital Expenditures		25,000	25,000	25,000	75,000
3. Repayment of Bank Loan					
4. Repayment of 6½% Debentures					
5. Repayment of 9% S.M. Bonds					
6. Repayment of Directors Loan					
D. Sum of 1, 2, 3, 4, 5 & 6					
Cash Flow (C-D)					
Cumulative Cash Flow					

NOTE: This estimate is based on shipping concentrates to Europe at Metal Prices as noted above. The operating profit leaves very little for debt retirement after meeting interest charges. If concentrates were shipped to a Canadian Copper Smelter and an American Zinc refinery operating profit would be increased by approximately $1,300,000 and allow for retirement of more than 50% of the debt.

Printed in Canada

Canadian Jamieson Mines Limited

SUITE 911 — 159 BAY STREET

TORONTO 1, CANADA

EMPIRE 4-6244

Doherty

April 12, 1966

To the Shareholders,

After a period of equipment checkout, the mill at Canadian Jamieson Mines Limited began its first treatment of ore on April 6th. It is planned that the mill will treat 300 tons a day until April 25th, in order to establish process controls, and that in the final week of April production will be brought up to the rated capacity of 400 tons a day.

Part of the ore, during this initial period, will come from a surface stockpile of 6,000 tons and the balance from mine production. By early May it is expected that stope development in the mine will have reached the point where the mine can supply the total tonnage.

The grade of ore during the first few weeks is expected to run 2.5% copper and 4% zinc and it is planned that after the run-in period the grade will be increased to 3% copper and 5% zinc.

We are very pleased that Jamieson has been able to complete its construction program virtually on schedule, despite serious handicaps resulting from the general trucking strike and adverse winter conditions. Great credit for this accomplishment is due to H. R. Fowlie, mine manager, and to J. A. Bates, construction manager.

The first concrete for the mill was poured on November 23, 1965 and the installation of all essential equipment was completed on March 31, 1966, little more than four months later.

Your directors are also pleased that this program has been completed within the estimated budget.

On January 24th, I reported to you that the current price for copper was 77¢ and on February 15th I reported that it had risen to 91¢ per pound. It is now selling on the London Metal Exchange at the equivalent of $1.00 (Cdn.) per pound. Consequently, we are most anxious to obtain maximum production in order to make our first shipment of copper and zinc concentrates as soon as possible.

All of us are pleased with our progress to date and look forward to successful and profitable production.

On behalf of the board,

A. T. Griffis

A. T. Griffis, President

ATG:dg

Canadian Jamieson Mines Limited

PRESIDENT: A. T. GRIFFIS
VICE-PRESIDENT: N. G. BRAGAGNOLO
SECRETARY: R. C. BRAGAGNOLO
TREASURER: R. H. POPE

REPLY TO FOLLOWING ADDRESS:
911-159 Bay Street,
Toronto 1, Ontario.
TORONTO TELEPHONE EM. 4-6244
TIMMINS TELEPHONE 264-1285

October 5, 1965

To the Shareholders,
Canadian Jamieson Mines Limited.

Ore, grading above 4% copper, is being opened up in the underground development program at the Jamieson mine, 14 miles west of Timmins, Ontario.

The grade encountered to date is considerably higher than that in adjacent drill holes from surface.

You will recall that plans for ore development were outlined in the Annual Report and discussed at the Annual Meeting of shareholders in Timmins on July 17, 1965.

Shaft sinking was stopped at 500 feet and driving started on the 255, 355 and 465-foot levels on September 1, 1965.

On the 465-foot level, work is well advanced in opening up ore of the central lens. The cross-cut from the shaft cut 42 feet of mas ore grading 4.46% copper and 3.95% zinc in chip sampling. Including low grade marginal material, the combined average is 3.49% copper and 3.10% zinc over 62 feet. The average of muck samples over a total length of 65 feet, including some barren material, averaged 2.13% copper and 1.93% zinc. These averages should be compared with ore cut in drill holes 145 and 148. Hole 145 averaged 2.23% copper and 2.39% zinc over an indicated horizontal width of 54 feet. Hole 148 averaged 1.87% copper and 10.12% zinc over a horizontal width of 25 feet.

Driving has been started along strike on the south margin of ore from the shaft cross-cut. A raise 30 feet east of the shaft cross-cut is currently at 35 feet all in massive ore. The drive to the west has advanced 150 feet and a second cross-cut from this point has presently exposed 20 feet of ore, with an additional 20 feet of ore expected before reaching the north limit. This westerly cross-cut is being driven under Hole 135 which intersected a core length of 54 feet averaging 2.36% copper and 2.58% zinc.

On the 355-foot level, the drive has advanced 350 feet but has 220 feet to go before cutting under ore on the west lens of the south zone.

On the 255-foot level, plans called for a drive paralleling ore on the south zone with raises to tap ore above the level. The drive has advanced 400 feet from the shaft and two raises are currently being driven to cut ore. Both of these raises are reported to be in marginal material just under the ore. When they have been completed the drive will be continued to the west to open up ore in cross-cuts on the westerly lens.

The present program of development should be completed by the end of October and it is anticipated that decisions will then be taken on the best means of providing the remaining finances for production. Although several smelter contracts have been offered for the purchase of both copper and zinc production from Jamieson, a firm decision in this regard is being deferred until further ore check-out has been completed.

Respectfully submitted,

A. T. Griffis

ATG:dg

A. T. Griffis,
President

CANADIAN JAMIESON MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Six Months Ended September 30th, 1967

FUNDS PROVIDED BY		
Net profit for the six months period	$254,814.95	
Add Expenses not requiring an outlay of funds		
Depreciation of mine buildings and equipment	171,262.38	
Amortization of loan and debenture discount	27,000.00	
Amortization of deferred expenditure	110,887.40	
	$563,964.73	
Sale of property	17,226.85	$581,191.58
FUNDS APPLIED TO		
Underground development deferred (net increase)	$ 35,323.19	
Purchase of three unpatented mining claims	665.75	
Purchase of mine buildings and equipment	37,026.36	
Increase in Deposits with Hydro	6,982.50	
Repayment of Series B Debentures	167,557.68	
Repayment of Mortgage	13,630.15	261,185.63
INCREASE IN WORKING CAPITAL		$320,005.95

NOTE: These Financial Statements do not include information relating to the comparable period in the preceding fiscal year as interim financial statements were not prepared for the first six months of the 1967 fiscal year. Mining and milling operations commenced in the 1967 fiscal year and during the first six months these operations were within the "break-in" period. The financial statements for the six months ended September 30th, 1967, are interim statements and are subject to audit and year end adjustments.

File

CANADIAN JAMIESON MINES LIMITED

INTERIM REPORT FOR THE SIX MONTHS PERIOD ENDING SEPTEMBER 30, 1967

To the Shareholders:

I submit for your consideration an interim statement for the first six months of the fiscal year ending March 31, 1968.

In this period, 66,510 tons were put through the concentrator, with a grade of 2.8% copper and 5.0% zinc. This was somewhat below our planned rate and was due to a break-down in the mill in June.

Operations in the mine were normal. The north orebody has been developed and is 20% larger than originally indicated from surface drilling, with the same grade.

In the statement, concentrates on hand have been valued on the basis of copper at the October average on the L.M.E. and zinc at 13.5¢ (U.S.) per pound. Since that time, copper has advanced sharply in price on the London market and will mean an increase on final settlements as long as high prices hold.

Respectfully submitted,

A. T. Griffis
President

Toronto, Ontario,
November 17, 1967.

CANADIAN JAMIESON MINES LIMITED

STATEMENT OF INTERIM EARNINGS

FOR SIX MONTHS ENDED SEPTEMBER 30th, 1967

Net smelter returns from sales of concentrates		$2,133,378.53
Less shipping and marketing costs		265,463.54
		$1,867,914.99
Cost of concentrates sold		
Underground development	$ 59,835.35	
General expenses	105,277.18	
Mining	311,933.47	
Milling	263,378.74	
Administration expenses	25,152.84	
	$765,577.58	
Add Reduction in Inventory of concentrates during period	463,083.00	1,228,660.58
Operating profit before the following expenses		$ 639,254.41
Other Expenses		
Provincial mining tax	$ 30,500.00	
Amortization of loan and debenture discount	27,000.00	
Depreciation of mine buildings and equipment	171,262.38	
Amortization of deferred expenditure	110,887.40	
Interest on loans and debentures	46,320.21	385,969.99
		$ 253,284.42
Add Interest and other income		1,530.53
Net Profit for the period		$ 254,814.95

CANADIAN JAMIESON MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR SIX MONTHS ENDED SEPTEMBER 30th, 1968 (WITH COMPARATIVE FIGURES FOR 1967)

	1968	1967
Source of funds		
Net income for the six months period	$ 395,664.62	254,814.95
Charges to income not requiring a current outlay of funds		
Depreciation of buildings and equipment	235,231.60	171,262.38
Amortization of preproduction and development expenditures	214,186.89	147,706.48
Amortization of debt discount and expenses	27,000.00	27,000.00
	$ 872,083.11	$ 600,783.81
Other sources		17,226.85
	$ 872,083.11	$ 618,010.66
Application of funds		
Mine development expenditures	$ 20,190.45	$ 72,142.27
Purchase of 3 unpatented mining claims	—	665.75
Additions to buildings		?
and equipment	13,734.73	37,026.36
Payments on long term debt		
Series A debentures	320,000.00	
Series B debentures	—	167,557.68
Mortgage on residence	—	13,630.15
Payment of dividends	254,600.60	
Other applications	3,958.39	6,982.50
	$ 612,484.17	$ 298,004.71
Improvement in working capital position	$ 259,598.94	$ 320,005.95
Working Capital at beginning of period	886,038.13	47,142.96
Working Capital at end of period	$1,145,637.07	$ 367,148.91

NOTE:- The financial statements for the six months ended September 30th, 1968, are interim statements and are subject to audit and year end adjustments.

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CANADIAN JAMIESON MINES LIMITED

INTERIM REPORT FOR THE SIX MONTHS PERIOD ENDING SEPTEMBER 30, 1968

To The Shareholders:

I submit for your consideration an interim statement for the first six months of the fiscal year ending March 31st, 1969 with comparative figures for the same period in the prior fiscal year. It will be noted that net income increased from \$254,814.95 to \$395,664.62 or from 10c per share to 15½c per share. The company's working capital improved from \$367,148.91 at September 30th, 1967 to \$1,145,637.07 at September 30th, 1968.

In this period, 84,182 tons were put through the concentrator as compared with 66,510 tons in the previous comparable period. The grade averaged 2.9% copper and 4.4% zinc as compared to 2.8% copper and 5.0% zinc.

Operations in the mine were normal and development drifting on the fifth level is now complete. Two diamond drills are in operation underground on the fifth level for exploration purposes. A third diamond drill for exploration from surface has recently been added.

In the statement, concentrates on hand at September 30th, 1968, have been valued on the basis of average copper prices for July 1968 on the London Metal Exchange and current prices are somewhat in excess of that level. Zinc concentrates have been valued at 13.5c (U.S.) per pound.

Respectfully submitted,

G. J. KILLEEN
Vice President

Timmins, Ontario,
November 15th, 1968.

CANADIAN JAMIESON MINES LIMITED

INTERIM STATEMENT OF INCOME

FOR SIX MONTHS ENDED SEPTEMBER 30th, 1968
(WITH COMPARATIVE FIGURES FOR 1967)

	1968	1967
Revenue		
Concentrates produced (net value after smelting and refining charges)	\$2,093,657.44	\$1,670,295.53
Less shipping and marketing costs	342,896.40	265,463.54
	\$1,750,761.04	\$1,404,831.99
Operating Expenses		
Mine exploration	\$ 80,708.76	\$ 23,016.27
Mining	333,407.47	311,933.47
Milling	255,691.65	263,378.74
Ontario mining tax	39,250.00	30,500.00
Mine management, office and general property expenses	153,172.95	105,277.18
Head office administration and general expenses	19,394.11	25,152.84
	\$ 881,624.94	\$ 759,258.50
Operating income before the following expenses	\$ 869,136.10	\$ 645,573.49
Other Expenses		
Depreciation of buildings and equipment	\$ 235,231.60	\$ 171,262.38
Amortization of preproduction and development expenditures	214,186.89	147,706.48
Interest on long term debt	4,493.76	46,320.21
Amortization of debt discount and expenses	27,000.00	27,000.00
	\$ 480,912.25	392,289.07
	\$ 388,223.85	253,284.42
Interest and other income	7,440.77	1,530.53
Net income for the period	\$ 395,664.62	254,814.95